ANNUAL REPORT
2002-2003

BRITISH COLUMBIA

FINANCIAL INSTITUTIONS COMMISSION

Credit Union Deposit Insurance Corporation
of
British Columbia

Statutes that FICOM Administers

- **Community Financial Services Act**
  This statute provides a framework for the regulation and operation of the B.C. Community Financial Services Corporation ("Four Corners Community Savings").

- **Credit Union Incorporation Act**
  This statute provides a corporate governance framework for credit unions consistent with their co-operative characteristics.

- **Financial Institutions Act**
  This statute provides a regulatory framework to govern all provincially regulated financial institutions including trust companies, insurance companies and credit unions. It also provides the licensing and regulatory framework for insurance agents, salespersons and adjusters under the supervision of the Insurance Council of British Columbia. The statute further provides for a credit union deposit insurance fund.

- **Insurance Act**
  This statute provides certain statutory requirements for insurance related contracts.

- **Insurance (Captive Company) Act**
  This statute establishes British Columbia as a domicile for captive insurance companies and provides a registration and regulatory framework for captive insurance companies.

- **Insurance (Marine) Act** This statute provides certain statutory requirements for contracts of marine insurance.

- **International Financial Business Act**
  This statute establishes a licensing and regulatory framework for financial institutions to register in British Columbia to carry on international financial business.

- **Mortgage Brokers Act**
  This statute provides a registration and regulatory framework for mortgage brokers who deal with the public.

- **Real Estate Act**
  This statute has two parts. Part 1 provides the licensing and regulatory framework for real estate agents, salespersons and property managers under the supervision of the Real Estate Council of British Columbia. Part 2 provides a regulatory framework for the sale of subdivisions, including strata developments, co-operatives, shared interests and time shares.

- **Strata Property Act**
  This statute provides a framework for the development, governance and management of strata corporations.

Note: Effective April 1, 2003, the Pensions Standards Branch will be transferred to FICOM and FICOM will also administer the Pension Benefits Standards Act.

VISION	To be the most progressive and cost-effective regulator in Canada of financial and real estate services.

MISSION	Maintain confidence in British Columbia's financial services sector by effective regulation.

FICOM VALUES	■ We work together to achieve FICOM's goals. ■ Our actions match our words. ■ We help each other. ■ We tell each other what we think. ■ We listen to each other. ■ We respect each other. ■ We show confidence in each other. ■ We value results over activities. ■ We share information. ■ We learn from our mistakes.

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FICOM Commissioners

Chair	J. Stewart Cunningham
Commissioner	Paul Taylor (ex officio)

FICOM Executive Management

CEO, Superintendent of Financial Institutions, Superintendent of Real Estate, and Registrar of Mortgage Brokers	W. Alan Clark
Executive Director, Credit Unions and Trusts	Garry E. Wadham
Deputy Superintendent of Insurance	Michael Grist
Deputy Superintendent of Real Estate and Deputy Registrar of Mortgage Brokers	L. Jay Mitchell
Executive Director, Investigations	Kenneth J. Fraser
Executive Director, Strategic Initiatives and Operations Planning	John I. Nunez

Note: All positions listed effective March 31, 2003.

Report of the Commission Chair

This past year was again an eventful one for FICOM and I have enjoyed serving as the Chair of the Commission.

FICOM's continued commitment to diligent and prudent financial services regulation is of great importance to British Columbia.

This annual report provides a thorough review of the activities of FICOM over the past year.

One event that was particularly significant was the release of a discussion paper by the Ministry of Finance on "Financial Institutions and Their Agents — Review of British Columbia's Regulatory Legislation" in July 2002.

This paper is the initial step in updating the *Financial Institutions Act*. It was well received and many responses were submitted to the Ministry of Finance. These responses will greatly assist government in updating the *Financial Institutions Act*.

My strong appreciation and support is extended to all FICOM staff. It was a busy year and this organization has again distinguished itself as a leading financial services regulator.

J. Stewart Cunningham

Quick Facts

- The British Columbia credit union system is the second largest in Canada after the caisses populaires in Quebec. BC credit unions hold an approximate 20% share of the retail banking and lending markets in BC.

- As of March 31, 2003, there were 63 retail credit unions authorized to conduct business in the province. The BC Credit Union system had assets of over $26 billion at the end of 2002.

- The insurance market in British Columbia is the third largest in Canada. At March 31, 2003, a total of 246 insurance companies were authorized to operate in British Columbia by FICOM. Annual insurance premiums in British Columbia exceeded $4 billion last year, exclusive of automobile insurance.

- FICOM responded to more than 3,900 enquiries from developers, realtors and purchasers regarding the licensing, disclosure and filing requirements of the Real Estate Act, and provisions of the Strata Property Act. The Real Estate Act governs the conduct of realtors and property managers, and requires full disclosure by developers, protection for deposits, and rescission rights for purchasers. The Strata Property Act governs the creation of strata lots, the rights and responsibilities of strata lot owners, and the operation of strata corporations.

- As of March 31, 2003, British Columbia had 465 mortgage broker companies, employing 1,503 sub-mortgage brokers at 596 locations throughout British Columbia. They were authorized to broker residential and commercial mortgages to financial institutions, pension plans and private lenders.

- During 2002/2003, FICOM had fifteen full-time staff dedicated to investigative functions. FICOM investigates statutory breaches of all statutes administered by FICOM, as well as related criminal matters.

Report of the Superintendent and CEO

I am pleased to report that FICOM made substantial progress this year on a number of challenging regulatory issues.

In implementing our new, risk-based supervisory framework for financial institutions, we have now merged the former Credit Unions and Trusts Department and Examinations Department into one. The Insurance Department is now responsible for all insurance activities, except for investigations. Following on these moves, staff is now assigned to working groups that focus on specific institutions.

Along with this reorganization, we provided training for our staff in the new risk-based approach. One of the world's experts on risk management programs for financial institutions lead a seminar for staff in January. It was very well received and provided many valuable insights.

FICOM completed a draft of our supervisory framework for credit unions on schedule and it was subsequently released to BC credit unions at their semi-annual meeting. To-date, all responses to this draft have been quite favourable.

This past year also saw the government transfer the Pension Standards Branch to FICOM, effective April 1, 2003. This is a natural fit and reflects the approach taken to pensions regulation by many other Canadian provinces, and the federal government. I look forward to the smooth integration of the staff from the Pensions Standards Branch with FICOM.

The Real Estate and Mortgage Brokers department initiated two key reforms this year. It undertook a review of fees and participated in drafting a discussion paper on the *Real Estate Act*. The paper was released by the Ministry of Finance to facilitate a review of this legislation, with responses due in May 2003.

It was again an active year for our Investigations staff. A particular concern of mine has been the numerous incidents of mortgage fraud that we are uncovering. I made a number of presentations on this issue in the past year in an effort to help industry groups better protect themselves.

All in all, it has been an exciting and challenging year, and I thank both staff and our Commissioners for the valued contributions they have made.

W. Alan Clark

FICOM's Role, Responsibilities and Organization

Regulatory Authority

FICOM is comprised of up to 11 commissioners and has a complement of 81 staff budgeted for this past fiscal year. FICOM Commissioners are appointed by the Lieutenant Governor in Council on the recommendation of the Minister of Finance.

Commissioners have two principal roles in the administration of the *Financial Institutions Act*, the *Credit Union Incorporation Act* and the *Community Financial Services Act*:

- They provide recommendations to the Minister of Finance on major regulatory decisions related to incorporations, business authorizations, amalgamations, liquidations and windups; and
- They make credit union stabilization, supervision and deposit insurance decisions. Stabilization and supervision are regulatory powers used to assist credit unions that are experiencing financial or other difficulties.

Authorized Companies

Names and addresses of all financial institutions that are authorized by the provincial government to conduct business in British Columbia are listed on FICOM's website.

Commissioners have no legislative responsibilities with respect to the other statutes administered by FICOM. They also serve as directors of the Credit Union Deposit Insurance Corporation of BC (CUDIC), under the provisions of the *Financial Institutions Act*.

The Superintendent of Financial Institutions and CEO also holds the positions of Superintendent of Real Estate and Registrar of Mortgage Brokers and, accordingly, exercises the powers delegated to these positions.

Solvency Regulation

Before a credit union, trust company or insurance company can operate in British Columbia, it is required to obtain a business authorization from the FICOM. The Financial Institutions Act specifies a number of financial and other requirements that must be met before a business authorization can be granted. Thus, the starting point for solvency regulation is to ensure that only financial institutions that meet certain financial and other requirements are permitted to operate in British Columbia.

Once a financial institution is authorized to conduct business, solvency regulation involves ongoing monitoring to ensure prudent operation and compliance with regulatory rules and guidelines. Financial institutions incorporated in British Columbia are monitored on an ongoing basis.

Credit Ratings for Credit Union Central of B.C.

Dominion Bond Rating Service *issued a Credit Rating Report on November 19, 2002, with the rating for medium and long term senior notes and deposits being held at "A".*

Standard and Poor's *issued a Credit Rating on February 21, 2003, with the senior unsecured debt rated "A+" and commercial paper rated "A-1". These ratings held from a November 12, 2002, Credit Rating.*

Both ratings agencies noted the strong capital and liquidity positions of the BC credit union system.

If this monitoring identifies regulatory concerns, FICOM has the authority and responsibility to ensure that the financial institution remedies the situation in a timely manner.

Financial institutions that are incorporated in other jurisdictions are reviewed by FICOM. In these cases, the principal focus of FICOM staff is the prudential standards of the incorporating jurisdiction and their adequacy. FICOM maintains close contact with the corresponding regulators to ensure that these institutions are in good standing.

Despite strong regulatory rules and monitoring, financial institutions do on occasion become insolvent. Regulation reduces the risk of insolvency, but cannot guarantee total safety and protection for consumers.

Consumers, if uncertain about the financial stability of a financial institution, are encouraged to examine its audited financial statements. The *Financial Institutions Act* requires each credit union, trust company and insurance company conducting business in British Columbia to allow a member of the public to examine its financial statements and auditor's report at the company's business office. In addition, for a reasonable fee, the *Financial Institutions Act* requires a financial institution to provide a copy of its audited financial statements to a member of the public upon request.

Mortgage Fraud A Major Issue

FICOM investigators spend considerable time investigating possible mortgage fraud. Mortgage fraud has several forms, with the most common being the provision of false income and employment information to financial institutions as part of a mortgage application.

This past year FICOM staff executed 25 search warrants in relation to mortgage fraud investigations.

In one major mortgage fraud investigation that commenced in 2002, four individuals that had been working as a group were identified as suspects. The institutions that have been victimized by the scheme include two banks, one trust company, two credit unions and two mortgage companies.

One of the individuals identified was a former registered mortgage broker, one a current registered mortgage broker, and one a licensed real estate agent. An estimated fifty properties received fraudulent mortgage financing through the scheme being investigated. The properties were mainly located in Vancouver, Surrey and Kamloops.

When search warrants were executed in relation to the investigation, several marijuana grow-operations were found. The investigation is ongoing.

The linkage between mortgage fraud and other criminal activities is a serious concern to FICOM.

Market Conduct Regulation

The legislation that FICOM administers provides a number of regulatory rules that govern conduct in the market place. These regulatory rules are generally in place to ensure that consumers are served by ethical and competent people. As well, the rules help to ensure that consumers are provided with sufficient information to make rational decisions.

FICOM's general approach to market conduct regulation is to respond to complaints from the public. All complaints are analysed, investigated and, if necessary, acted upon. In most instances, an investigation involves contact with the subject of the complaint to advise of the requirements of the applicable legislation. This often results in voluntary compliance and no need for further action. Other responses to complaints include warnings, orders to cease, disciplinary orders or prosecution for offences under the statutes administered by FICOM or under the Criminal Code of Canada. Bulletins to the industry are also issued if information suggests that there is widespread misunderstanding of a specific statutory requirement.

Market conduct regulation, however, does not extend to specific contractual disputes. FICOM is only empowered to respond to violations of statutes and does not have powers to order restitution for specific claims. FICOM's authority is limited to ensuring that statutory violations cease and, if appropriate, imposing regulatory sanctions.

Contractual disputes must be resolved by the parties involved.

Market conduct rules vary to some extent among the statutes administered by FICOM. These rules and other background information are available to the public, together with information on known scams and regulatory actions taken, on the FICOM website.

FICOM Investigates Unauthorized Deposit Taking

FICOM was notified by the British Columbia Securities Commission in late April 2002 of concerns regarding 439288 BC Ltd.

This company had developed a scheme for making high interest loans that was centred in the Burns Lake area of British Columbia.

The Superintendent ordered an investigation of the firm and its officers and directors on April 29, 2002. Carl Glenn Anderson, Douglas Victor Montaldi, and Gordon Anthony Shanks were identified by the order; Mr. Shanks was a submortgage broker who was registered with 439288 BC. Ltd. in the prior year when it registered as a mortgage broker.

The funds that were loaned were principally sourced through unauthorized deposit taking. The rates for deposits were extremely high relative to other deposit taking institutions such as credit unions, trust companies and banks.

Under the Financial Institutions Act, Sections 238 and 244 (2), the Superintendent ordered on May 3, 2002, that 439288 BC. Ltd. cease operating a deposit taking business. The registration of 439288 BC Ltd. as a mortgage broker and the registration of Mr. Shanks as a submortgage broker were suspended on that date under Section 8 (2) of the Mortgage Brokers Act.

Subsequent freeze orders under the FIA and Mortgage Brokers Act were issued for all bank accounts associated with the firm.

On May 9, 2002, a bankruptcy proposal was filed by the firm. A trustee and interim-manager were appointed. More than $30 million in deposits had been accepted by the firm, and depositors subsequently faced significant losses.

Organization of FICOM

FICOM is organized into five departments that all report to the CEO. These departments are as follows:

➢ Credit Unions and Trust Companies

Responsible for the regulation of credit unions and trust companies under the *Financial Institutions Act*, *Credit Union Incorporation Act* and *Community Financial Services Act*.

➢ Insurance

Responsible for the regulation of insurance companies under the *Financial Institutions Act*, *Insurance Act*, *Insurance (Captive Company) Act*, *Insurance (Marine) Act*, and *International Financial Business Act*. Responsible for working with the Insurance Council of BC, which oversees licensed insurance agents, adjusters and salespeople.

➢ Real Estate and Mortgage Brokers

Responsible for regulatory activities under the *Real Estate Act*, the *Mortgage Brokers Act*, and the *Strata Property Act*. Responsible for working with the Real Estate Council of BC, which oversees licensed real estate agents and salespersons, and property managers.

➢ Investigations

Responsible for investigating statutory breaches of all acts administered by FICOM as well as undertaking investigations into related criminal matters.

➢ Strategic Initiatives and Operations Planning

Responsible for support to the other departments, including research and policy development, contracts, communications and co-ordination of *Freedom of Information Act* requests.

Attorney-General Appeals Decision in Bank of Nova Scotia Case

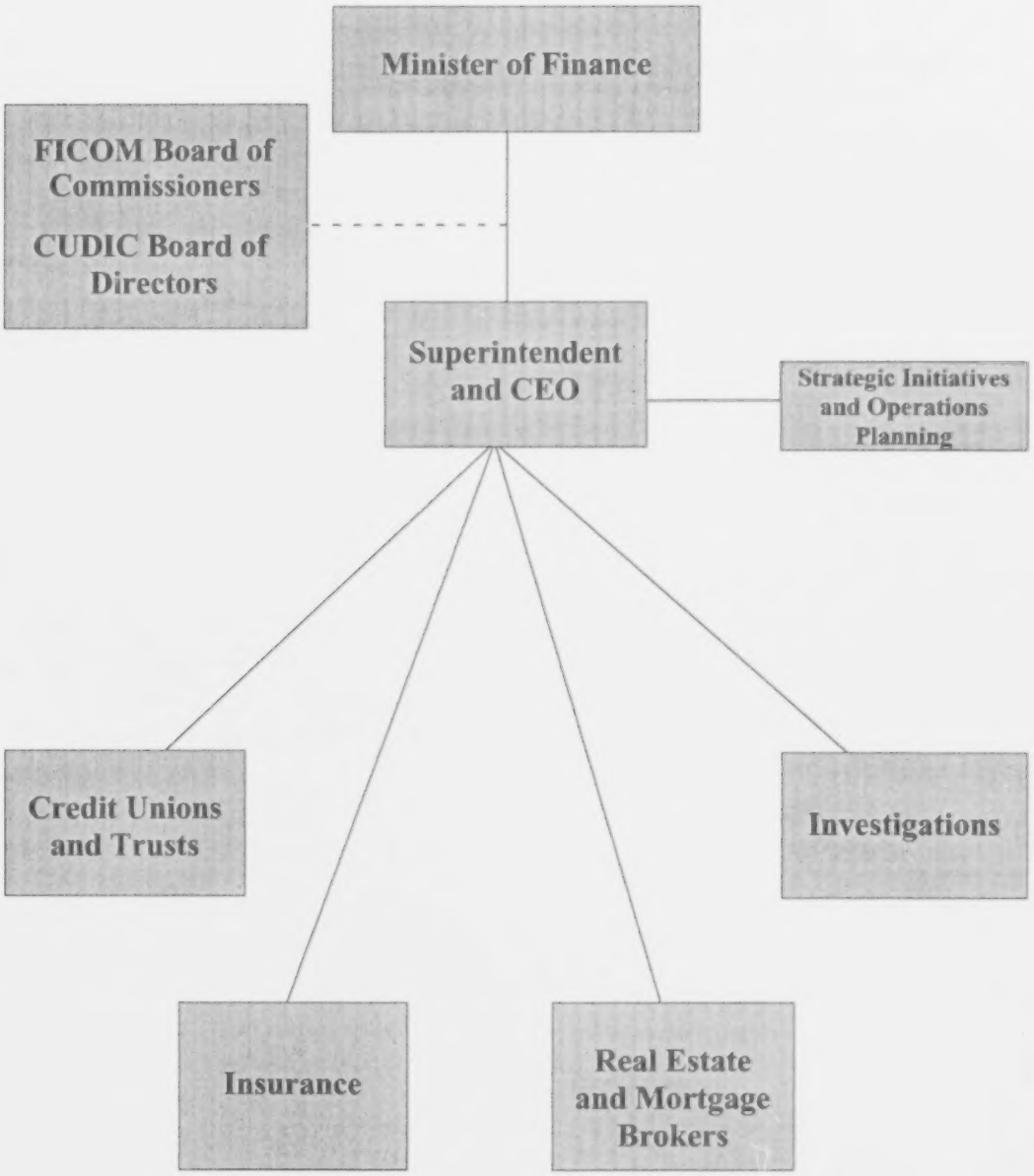
The British Columbia Court of Appeal released its decision on January 20, 2003, regarding the appeal of the British Columbia Supreme Court decision in The Bank of Nova Scotia and Optima Communications Canada Inc. versus Superintendent of Financial Institutions et al.

The BC Supreme Court had found in favour of the Superintendent, and agreed that the Bank of Nova Scotia had engaged in the unauthorized marketing of an insurance product in British Columbia. The British Columbia Court of Appeal overturned that judgment.

In response to this decision, the Attorney-General of British Columbia has sought leave to appeal to the Supreme Court of Canada. This case involves constitutional issues.

An announcement on whether the Supreme Court of Canada will opt to hear the appeal is not expected until at least the fall of 2003.

Organizational Chart



Service Plan Report

FICOM identified nine organizational goals for the year 2002/2003. Four of these goals were categorized as regulatory responsibilities, and five were categorized as strategic objectives.

Regulatory Responsibilities

1. Effectively regulate financial institutions authorized to conduct business in British Columbia.
2. Ensure regulatory compliance by real estate developers, real estate agents and salespersons, property managers, and mortgage brokers.
3. Identify and pursue inappropriate, unauthorized, and criminal activity involving the financial services sector.
4. Effectively manage the Credit Union Deposit Insurance Corporation (CUDIC) fund.

Strategic Objectives

1. Eliminate unnecessary regulatory burden on institutions.
2. Streamline and harmonize regulations with other jurisdictions.
3. Provide information to assist the public in detecting fraudulent or other inappropriate business practices.
4. Develop a human resources plan to resolve staffing issues and recruitment problems.
5. Develop and implement new information systems to meet FICOM's information needs as a risk-based regulatory framework is introduced.

A table for each organizational goal has been prepared to report on the status of these goals relative to the identified timelines and related performance measures. Discussion of key issues follows each table.

Organizational Goal: Effectively regulate financial institutions authorized to conduct business in British Columbia.			
Performance Measure	**2001-2002**	**2002-2003**	**Notes**
Survey of Consumer Confidence	Credit Unions – 86% rate "stable" Insurance Companies – 82% rate "stable"	No survey conducted.	Survey conducted on a biannual basis. See discussion below.
Survey of Financial Institutions	Respondents treated in a "fair and reasonable" manner: 70% of mortgage brokers; 100% of insurance companies; 82% of credit unions	No survey conducted.	Survey conducted on a biannual basis. See discussion below.
Migrate from compliance-based framework to a risk-based framework	Project initiated.	Five major activities undertaken.	See discussion of activities below.
Cost of regulation per $1000 of insurance premium	$0.499 per $1000	$0.461 per $1000	Calculations are shown in the following section.
Credit Union fees and assessments per $1000 of assets	Fees and assessments of $0.268 per $1000 of assets.	Fees and assessments of $0.270 per $1000 of assets.	A slight increase. Calculations are shown in discussion section.
	Deposit insurance assessment of 2 basis points.	Deposit insurance assessment of 2 basis points.	Survey of deposit insurance assessments conducted. BC's premiums were very competitive, especially when comparable institutions were considered.

Discussion:

Surveys

Both a survey of consumer confidence and a survey of financial institutions were conducted in 2001/2002. While these surveys provide a valuable measure for tracking the effectiveness of FICOM as a financial services regulator, the costs and staff time involved are significant. Consequently, FICOM has determined that conducting these surveys on a biannual basis would be more appropriate and cost-effective. A survey is planned for 2003/2004.

Risk-Based Framework

The migration to a risk-based framework saw substantial progress, and five activities were particularly notable:

1) **Draft Framework Produced**
A draft risk-based framework was completed by a FICOM working group to cover credit unions, insurance and trust companies. This framework has been developed in modules with specific risks identified. This framework was released to the industries inviting comments. It is anticipated that the compliance based regulatory model will have been completely phased out by 2004.

2) **FICOM Departments Merged**
The Credit Union and Trusts, and Examinations departments were merged into a new Credit Unions and Trusts department. This merger addressed three issues related to the implementation of a risk-based framework. First, the old examination modules were structured to determine compliance with specific items rather than assess risk. Second, the existence of two separate departments meant that off-site monitoring and on-site examination were not well integrated. Third, the merger of the two departments allows for a team-based approach to individual institutions and provides an incentive to use professional judgment and intuition.

3) **Professional Upgrading and Training**
Professional upgrading and training for staff related to the transition to a risk-based regulatory framework began. A two-day seminar on risk management at financial institutions was held for staff. The instructor was the Leader, Global Risk Management and Control Services, with a major international consulting firm. The seminar was very educational and well received by FICOM staff.

4) **Risk Profiles Developed**
Risk profiles for all credit unions and provincial trust companies have been developed. This risk profiling activity is the first step in applying a risk-based regulatory framework.

5) **Procedures and Processes Updated**
Draft procedures and processes for staff have been developed. The development of procedures and processes will ensure the effective administration of the new risk-based framework.

Cost of Insurance Regulation

FICOM tracks the cost of insurance regulation by comparing FICOM's insurance fees to the total premiums written in the Province of British Columbia. The calculation of this performance measure is shown below.

Calculation of Insurance Regulation Costs 2001/2002	
Insurance Fees - 2001/02 Budget	$ 2,117,000
divided by Total Premiums Written in BC – 2001	$ 4,239,960,000
Equals	0.000499
Multiplied by $1000	$ 0.499

Calculation of Insurance Regulation Costs 2002/2003	
Insurance Fees – 2002/03 Budget	$ 2,081,000
divided by Total Premiums Written in BC – 2002	$ 4,514,128,000
Equals	0.000461
Multiplied by $1000	$ 0.461

Cost of Credit Union Regulation and Deposit Insurance

FICOM tracks the cost of credit union regulation by comparing FICOM's credit union fees and CUDIC's deposit insurance assessments to the total assets of BC credit unions. The calculation of this performance measure is shown below.

Calculation of Credit Union Regulation and Deposit Insurance 2001/2002

Regulation

Total FICOM Credit Union Fees Budget - 2001/2002	$2,421,270
Total Credit Union Assets - Dec 2001	$25,150,268,391
Fees divided by Assets	$0.0000963
Multiplied by $1000	$0.096

Deposit Insurance

Total CUDIC Assessments - 2001/2002	$4,317,449
Total Credit Union Assets - Dec 2001	$25,150,268,391
Assessments divided by Fees	$0.0001717
Multiplied by $1000	$0.172
Total Fees and Assessments per $1000 of assets	**$0.268**

Calculation of Credit Union Regulation and Deposit Insurance 2002/2003

Regulation

Total FICOM Credit Union Fees Budget - 2002/2003	$2,568,744
Total Credit Union Assets - Dec 2002	$26,640,532,762
Fees divided by Assets	$0.0000964
Multiplied by $1000	$0.096

Deposit Insurance

Total CUDIC Assessments - 2002/2003	$4,628,392
Total Credit Union Assets - Dec 2002	$26,640,532,762
Assessments divided by Fees	$0.0001737
Multiplied by $1000	$0.174
Total Fees and Assessments per $1000 of assets	**$0.270**

Summary of Deposit Insurance Assessments

The jurisdictions that are comparable to BC were surveyed for deposit insurance premium assessments. BC's premiums were very competitive, especially when comparable institutions were considered.

Jurisdiction	Deposit Insurance Assessment in Basis Points
BC	2.0 *
Alberta (2002)	17.0
Saskatchewan (2002)	5.0
Ontario (2002)	10.6**
CDIC (2002)	3.0**

* A separate assessment of two basis points was also made by Stabilization Central Credit Union.

** Weighted average assessments were computed for jurisdictions that use differential premiums or tiered assessment rates.

Organizational Goal: Ensure regulatory compliance by real estate developers, real estate agents and salespersons, property managers, and mortgage brokers.			
Performance Measure	**2001-2002**	**2002-2003**	**Notes**
Investigate all complaints of non-compliance and/or criminal activities	100% investigated.	100% investigated.	Additional information on FICOM's investigation activities is included in the Operational Statistics section.

Organizational Goal: Identify and pursue inappropriate, unauthorized, and criminal activity involving the financial services sector.			
Performance Measure	**2001-2002**	**2002-2003**	**Notes**
All complaints/activities requiring investigation are reviewed	100% investigated.	100% investigated.	Additional information on FICOM's investigation activities is included in the Operational Statistics section.

Organizational Goal: Effectively manage Credit Union Deposit Insurance Corporations			
Performance Measure	**2001-2002**	**2002-2003**	**Notes**
Size of fund committee to report on appropriate size	Not addressed in Performance Plan.	Size of fund committee has not reported.	See discussion below.
Review performance of CUDIC investment managers	Not addressed in Performance Plan.	Review initiated and completed.	See discussion below.

Discussion

Size of Fund Committee

The Size of Fund Committee was formed to review the required size of the deposit insurance fund relative to insured credit union deposits, based on actuarial advice. It is composed of representatives from FICOM, Stabilization Central Credit Union and Credit Union Central of British Columbia, and is assisted by a professional actuary.

Specifying the size of the CUDIC fund is a challenging issue. On the one hand, assessments against credit unions represent a significant cost to credit unions. On the other hand, the protection that depositors are provided by the fund, and the adequacy of the fund relative to the Province of British Columbia's legislated backing of the fund is a fundamental concern.

Actuarial forecasts are complex and ultimately only represent "estimates" of how adequate a given fund balance is relative to potential draws on the fund.

A report from the Size of Fund Committee on the appropriate size of the deposit insurance fund was anticipated in this fiscal year, but was not received. Such a report is anticipated in the coming fiscal year. Once the report is received, the CUDIC Board of Directors will determine the appropriate size for the deposit insurance fund.

Performance of CUDIC Investment Managers

A thorough review of the performance of CUDIC investment managers was completed by FICOM staff.

One of the two contracted investment managers had not met, by a narrow margin, the required standard detailed in the existing CUDIC Investment Policy for the period of the review. Also, as part of this review, several opportunities to improve the CUDIC Investment Policy were identified.

A review of the CUDIC Investment Policy is planned for the coming fiscal year as a follow-up to this review of investment manager performance.

Organizational Goal: Eliminate unnecessary regulatory burden on institutions			
Performance Measure	**2001-2002**	**2002-2003**	**Notes**
Review and rewrite the Financial Institutions Act.	Consultant contracted to prepare discussion paper.	Three major activities undertaken.	See discussion below.

Discussion

Review and Rewrite The Financial Institutions Act

Three major activities were completed in the year related to this organizational goal:

1) **Discussion Paper Released**
   A discussion paper entitled "Financial Institutions and Their Agents" was released in July 2002. The paper focused on three questions:
   - What are the objectives and principles of financial institutions regulation?
   - Are the current regulatory provisions consistent with the objectives and principles?
   - What alternatives or changes would improve consistency with the objectives and principles?

   The paper provided substantial discussion and illustration of issues, and provided lots of background information. Many of the issues involved are complex and affect numerous stakeholders. The paper was well-received by stakeholders.

2) **Submissions Reviewed**
   A large number of submissions from stakeholders and other interested parties were received by the Ministry of Finance. Ministry of Finance staff, a Ministry of Finance consultant, and FICOM staff reviewed the submissions and provided comments on the related policy issues.

3) **FICOM Staff Advised on Financial Institutions and Their Agents**
   FICOM staff also prepared submissions on insurance, credit unions and trusts, and deposit insurance related issues. As the regulator, FICOM offers a valuable perspective when legislation and regulations are reviewed.

Organizational Goal: Streamline and harmonize regulations with other jurisdictions			
Performance Measure	**2001-2002**	**2002-2003**	**Notes**
Chair CCIR working group on Streamlining and Harmonization.	Process initiated.	Proposals were received from stakeholders. Many of the proposals are being reviewed by CCIR committees.	See discussion below.
Classes of Insurance Project	New set of classes of insurance proposed by CCIR.	Classes of insurance undergoing review by federal and Quebec governments.	See discussion below.

Discussion

CCIR Working Group

During the past year, FICOM chaired a Canadian Council of Insurance Regulators (CCIR) working group charged with canvassing stakeholders for suggestions on possible new approaches.

This process has elicited a number of proposals to-date that are undergoing evaluation. All the proposals would require legislative changes in multiple jurisdictions, and several proposals would also require development of nationwide information systems.

The timeframe for completing this project is expected to be several years given the involvement of numerous jurisdictions and the implementation challenges presented by the proposals.

Classes of Insurance Project

During 2001/2002, the Canadian Council of Insurance Regulators proposed a new set of classes of insurance, and a consultation process is currently underway. It is anticipated that the new classes will be endorsed in the coming year.

Organizational Goal: Provide information to assist the public in detecting fraudulent or other inappropriate business practices			
Performance Measure	**2001-2002**	**2002-2003**	**Notes**
Develop a Communications Plan	Performance Plan for 2001/2002 identified goal of publishing more info on the FICOM website, and that goal was reached. See 2001/2002 Annual Report.	A Communications Strategy was completed but required redrafting for release as a Communications Plan.	See discussion below.

Discussion

Following on the Core Review commitment to help British Columbians be more aware of common consumer fraud issues, FICOM has enhanced its communications efforts, with further enhancements planned.

Of particular note, FICOM has greatly enhanced its website. As reported in last year's annual report, the FICOM web site now includes a considerable amount of information, including the FICOM service plan, FICOM annual report, list of credit unions with a British Columbia business authorization, list of trust and loan companies with British Columbia business authorizations, list of insurance companies with British Columbia business authorizations, and the financial statements of the Credit Union Deposit Insurance Corporation.

FICOM staff is now developing a Communications Plan that identifies more communications activities to be undertaken in response. A draft of this Communications Plan was completed within the fiscal year.

This draft will be finalized early in the coming fiscal year and the Communications Plan implemented.

Organizational Goal: Develop a human resources plan to resolve staffing issues and recruitment problems.			
Performance Measure	**2001-2002**	**2002-2003**	**Notes**
Develop a Human Resources Plan	Project initiated.	Project Completed.	See discussion below.

Discussion

In 2003, FICOM developed a Human Resources plan linking individual performance to the Service Plan and the business needs of FICOM. The plan was approved by FICOM's executive staff and is in the process of being implemented.

Much of FICOM's regulatory work depends on the competency of its employees. It is essential that FICOM continue to attract and retain individuals with current industry knowledge and appropriate competencies. The Human Resources plan will achieve this objective with a number of different approaches.

Organizational Goal: Develop and implement new systems to meet FICOM's information needs as a risk-based regulatory framework is introduced.			
Performance Measure	**2001-2002**	**2002-2003**	**Notes**
Complete workflow analysis, develop applications, and document new processes.	Not identified in Performance Plan.	Phase 1 workflow analysis completed.	See discussion below.

Discussion

A Request for Proposals was issued for this workflow analysis project and a vendor was selected. This project focused on the needs of the insurance and real estate departments, and related support processes in the records and accounting departments. All processes were mapped and analyzed, and a data model for all forms involved in these processes was constructed.

The Phase 1 workflow analysis proceeded well in the opinion of FICOM staff and was completed on schedule.

The Phase 2 workflow analysis will focus on the remaining FICOM departments.

New Directions for FICOM

Two key activities were undertaken in the past year that relate to new responsibilities of FICOM.

Transfer of Pension Standards Branch to FICOM

FICOM staff was actively involved in preparations for the transfer of the Pension Standards Branch to FICOM, effective April 1, 2003. This initiative was part of a government-wide rationalization of activities. In many other Canadian jurisdictions pensions are regulated in tandem with other financial services.

Proposed New Financial Services Tribunal

FICOM staff was actively involved in discussions surrounding the possible establishment of a Financial Services Tribunal to adjudicate disputes involving the statutes that FICOM administers.

It is anticipated that this tribunal will receive legislative authority in the coming fiscal year. It will provide an important adjudicative role within British Columbia.

Discussion Paper Released on Review of the Real Estate Act

A discussion paper on the review of the Real Estate Act was released by the Ministry of Finance with input from FICOM staff. This move is the first step in modernizing the legislative framework of real estate activities in British Columbia. The paper reviews the regulatory objectives, application of licensing requirements, general regulatory framework, disclosure, approval requirements and deposit protection.

The goal is to rationalize and improve both parts of the current Real Estate Act.

The paper identifies the primary objective of regulation as "maintain and enhance consumer confidence in the province's real estate sector," and a number of legislative moves are anticipated in response to this review. Refinements to how real estate agents are regulated, changes to how real estate developments are scrutinized by regulators, alternative approaches to securing purchaser's deposits, and greater opportunities for marketing real estate projects are all expected.

Operational Statistics

In addition to tracking its performance against identified organizational goals, FICOM also monitors its many regulatory activities. The statistics listed below provide a survey of FICOM's activities. They are listed effective March 31, the last day of the BC government's fiscal year.

Regulation of Financial Institutions			
Authorized Financial Institutions in British Columbia	**2000/2001**	**2001/2002**	**2002/2003**
Authorized Credit Unions	71	65	63
BC Incorporated Trust Companies	5	5	5
BC Incorporated Insurance Companies*	9	9	9
Extra-Provincial Trust Companies	46	48	44
Extra-Provincial Insurance Companies*	258	246	237
Regulatory Activities	**2000/2001**	**2001/2002**	**2002/2003**
Business Authorization Applications for Trust Companies — Approved	1	7	1
New Business Authorizations of Insurance Companies — Approved*	8	5	6
New Authorized Reciprocal Exchanges — Approved*	1	0	0
Revocation of Extra-provincial Insurance Company Authorizations — Approved *	8	12	12
Amalgamations of Extra-Provincial Insurance Companies	2	5	3
Credit Union Mergers	6	6	2
Credit Unions Under Supervision	2	2	3
Credit Union Examinations/ Reviews Under *The Financial Institutions Act***	86	75	64
Investment and Lending Policy Changes — Reviewed	135	127	123
Credit Union Regulatory Approvals and Filings	377	502	517

* Restated figures for 2000/2001 and 2001/2002.
** The old system of examinations has been modified with the introduction of a risk-based framework. The ongoing nature of this system has meant a switch in terminology from "examinations" to "reviews".

Real Estate and Mortgage Broker Services			
Real Estate Services	**2000/2001**	**2001/2002**	**2002/2003**
Prospectuses Accepted	17	15	17
Disclosure Statements	292	249	378
Disclosure Amendments	385	393	440
Real Estate Act Exemptions	9	6	10
Timeshare Amendments	29	27	29
Mortgage Broker Services	**2000/2001**	**2001/2002**	**2002/2003**
New Mortgage Brokers Registrations	128	82	77
New Sub-Broker Registrations	311	286	410
Mortgage Broker Renewals	158	211	237
Sub-Mortgage Broker Renewals	286	398	475
Transfers	160	174	153
Terminations	233	254	173
Amendments	170	273	212
Strata Property Services	**2000/2001**	**2001/2002**	**2002/2003**
Strata Plan Approvals*	368	136	165
Information Requests	**2000/2001**	**2001/2002**	**2002/2003**
Letters	3,778	4,719	3,353
Telephone Calls	15,751	14,650	10,160

* The Strata Property Act replaced the Condominium Act in 2000 and reduced the requirement for approvals of Strata Plans by FICOM.

Investigation Activities			
	2000/2001	2001/2002	2002/2003
Files open at the beginning of fiscal year	143	105	130
New files opened in the year with investigations initiated	208	209	242
Real estate investigations — initiated	82	87	90
Insurance investigations — initiated	42	52	38
Mortgage broker investigations — initiated	70	60	91
Credit union investigations — initiated	2	4	14
Trust company investigations — initiated	7	4	1
Miscellaneous investigations — initiated	5	2	8
Files closed	232	191	231
Real estate investigations — concluded	90	78	93
Insurance investigations — concluded	43	35	45
Mortgage broker investigations — concluded	80	66	76
Credit union investigations — concluded	6	4	9
Trust company investigations — concluded	7	6	1
Miscellaneous investigations — concluded	6	2	7
Files open at the end of the fiscal year	112	123	140
Search warrants executed	45	9	31
Financial Institutions Act related orders executed	4	8	18
Mortgage Brokers Act related orders executed	13	14	33
Real Estate Act related orders executed	15	6	24

Financial Report

FICOM expenditures are fully recovered from fees and assessments, and total expenditures have remained quite stable throughout the past decade.

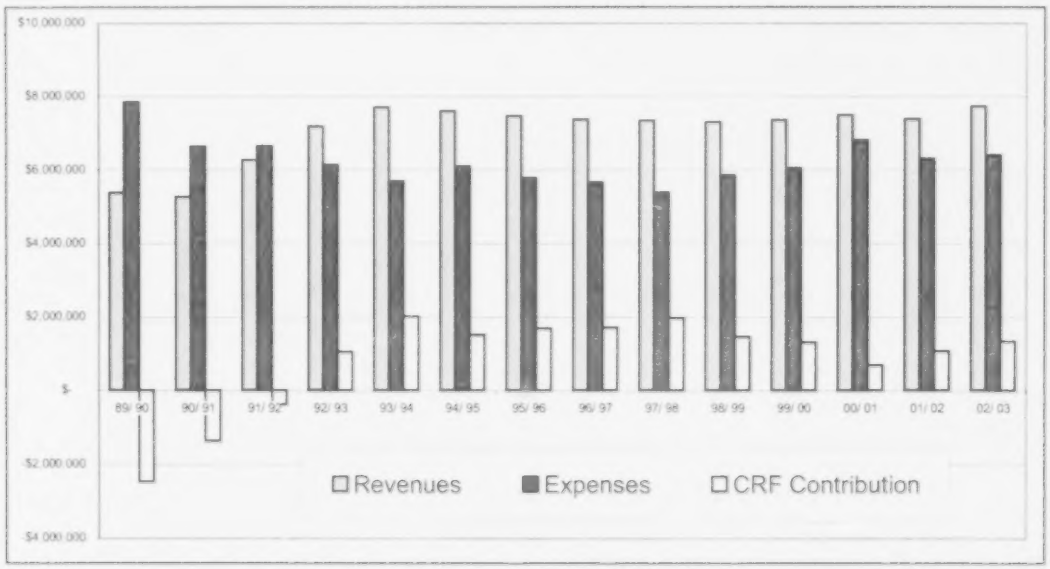
Funding for FICOM is provided in the provincial government main Estimates (the Budget) for the Ministry of Finance. A nominal net expense of $1,000 is authorized. This funding mechanism requires that FICOM's expenditures be recovered from fees and assessments.

In 2002/2003, FICOM's gross actual expenditures were $6.4 million, $669,900 under budget. Approximately 81% of the expenditures were for staff and professional services.

Actual recoveries were $7.7 million in 2002/2003. These recoveries were comprised of transfers from CUDIC for expenditures incurred by FICOM for credit union deposit insurance, supervision and stabilization matters ($1.6 million), and annual licensing fees and assessments ($6.1 million). CUDIC's complete financial statements are included in the following section.

In total, FICOM generated an excess of recoveries over expenditures of $1.3 million during 2002/2003. These funds were transferred to the provincial government's Consolidated Revenue Fund to offset government overheads that are not fully accounted for in FICOM's budget.

FICOM — 14 Year Financial Summary



Credit Union Deposit Insurance Corporation (CUDIC)

The Credit Union Deposit Insurance Corporation of British Columbia (CUDIC) is a separate entity from the Financial Institutions Commission under the provisions of the *Financial Institutions Act*. The mandate of CUDIC is to guarantee deposits and non-equity shares of depositors of British Columbia credit unions up to the limits prescribed by the *Financial Institutions Act*.

Details regarding deposit insurance coverage can be obtained by contacting FICOM or through FICOM's website.

CUDIC Board of Directors*

Chair
J. Stewart Cunningham

Directors
Paul Taylor
(ex officio)

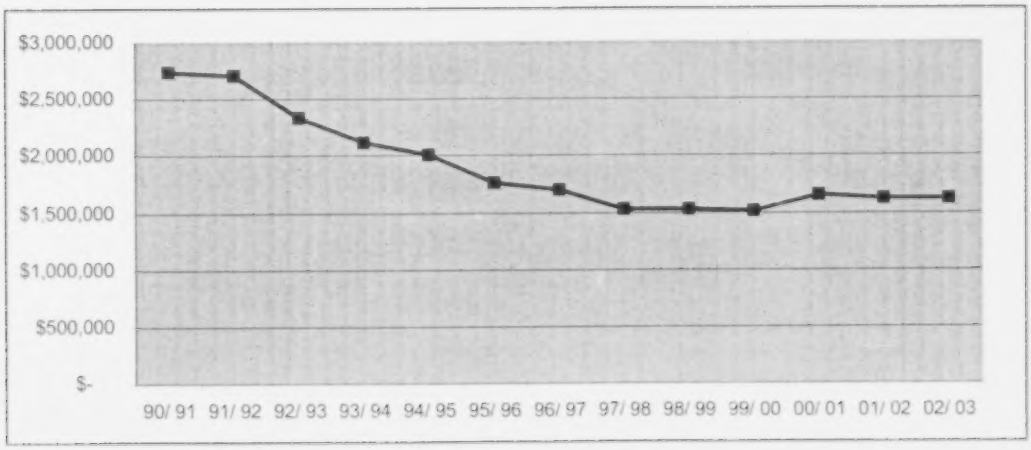
Note: All positions listed effective March 31, 2003.

To meet its depositor protection responsibilities, CUDIC undertakes administrative and regulatory functions as set out in the *Financial Institutions Act*, makes deposit insurance payments and may provide financial assistance to credit unions. To maintain the deposit insurance fund, CUDIC is empowered to assess credit unions and to issue debentures. The CUDIC assessment in 2002/2003 was two basis points of credit union deposits, a total of $4.63 million.

Historically, it has been estimated that a minimum fund of 57.5 basis points of total credit union deposits is required to meet CUDIC's obligations, however, the actuarial basis of this figure is currently being reviewed.

As at March 31, 2003, accumulated earnings of CUDIC were $111.3 million, or 45.28 basis points. In addition, the Stabilization Central Credit Union of British Columbia (SCCU) has granted a security interest to CUDIC to meet the minimum fund requirement of 57.5 basis points.

CUDIC Administration Expenses



CUDIC's day-to-day administrative functions are provided by FICOM staff, as CUDIC has no operating staff. An annual budget is developed for CUDIC and approved by the CUDIC Board of Directors. CUDIC is then charged for administrative services by FICOM.

These administrative services are recorded as administration expenses by CUDIC and reported in the "Schedule of Administration Expenses" in financial statements. These expenses have been tightly controlled since 1990, as the preceding chart highlights.

Auditor's Report on the Credit Union Deposit Insurance Corporation

Credit Union Deposit Insurance Corporation of British Columbia

Financial Statements

March 31, 2003

Grant Thornton

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Grant Thornton LLP
Chartered Accountants
Management Consultants

Grant Thornton

Auditors' Report

To the Board of Directors of
Credit Union Deposit Insurance Corporation of British Columbia

We have audited the balance sheet of Credit Union Deposit Insurance Corporation of British Columbia as at March 31, 2003, and the statements of operations and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the corporation as at March 31, 2003, and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the Financial Institutions Act, we report that, in our opinion, these principles have been applied on a consistent basis with that of the preceding year.

Grant Thornton LLP

Vancouver, Canada
May 15, 2003

Chartered Accountants

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Credit Union Deposit Insurance Corporation of British Columbia
Balance Sheet

March 31	2003	2002 (Restated)
Assets		
Cash resources	$ 100,550	$ 1,898,220
Income taxes recoverable	218,984	-
	319,534	1,898,220
Investments (Note 4)	111,380,319	101,136,278
	$ 111,699,853	$ 103,034,498
Liabilities and Retained Earnings		
Payables and accruals	$ 363,589	$ 389,214
Retained earnings (Notes 3 and 6)	111,336,264	102,645,284
	$ 111,699,853	$ 103,034,498

Approved by the Board

Director

Director

See accompanying notes to the financial statements

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Credit Union Deposit Insurance Corporation of British Columbia

Statements of Operations and Retained Earnings

Year Ended March 31	2003	2002 (Restated)
Revenue		
Investments	$ 6,397,174	$ 6,252,198
Assessments	4,628,392	4,317,449
	11,025,566	10,569,647
Expenses		
Administration (Schedule)	1,617,149	1,611,487
Consulting and direct assistance to credit unions	13,595	-
Investment management fees	146,175	138,106
	1,776,919	1,749,593
Earnings before income taxes	9,248,647	8,820,054
Income taxes (Note 5)	557,667	766,628
Net earnings	$ 8,690,980	$ 8,053,426
Retained earnings, beginning of year	$ 102,645,284	$ 88,091,858
Change in accounting policy (Note 3)	-	6,500,000
Net earnings	8,690,980	8,053,426
Retained earnings, end of year	$ 111,336,264	$ 102,645,284

See accompanying notes to the financial statements

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Credit Union Deposit Insurance Corporation of British Columbia

Statement of Cash Flows

Year Ended March 31	2003	2002 (Restated)
Cash flows provided by (used in)		
Operating activities		
Net earnings	$ 8,690,980	$ 8,053,426
Adjustments to determine cash flows:		
Loss on sale of securities	179,148	324,082
Change in non-cash working capital	(244,609)	(75,529)
	8,625,519	8,301,979
Investing activities		
Purchase of securities	(83,660,469)	(76,021,539)
Proceeds from sale of securities	73,237,280	68,976,179
	(10,423,189)	(7,045,360)
Net (decrease) increase in cash resources	(1,797,670)	1,256,619
Cash resources, beginning of year	1,898,220	641,601
Cash resources, end of year	$ 100,550	$ 1,898,220
Change in non-cash working capital		
Income taxes recoverable	$ (218,984)	$ -
Payables and accruals	(25,625)	(75,529)
	$ (244,609)	$ (75,529)
Supplemental information		
Income taxes paid	$ 844,000	$ 748,775

See accompanying notes to the financial statements

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Credit Union Deposit Insurance Corporation of British Columbia
Notes to the Financial Statements
March 31, 2003

1. Governing legislation and operations

The Credit Union Deposit Insurance Corporation of British Columbia (CUDIC) is a statutory corporation established under the Financial Institutions Act (FIA) and is operated as a separate entity by the Financial Institutions Commission (FICOM). The mandate of CUDIC is to guarantee deposits and non-equity shares of depositors of British Columbia credit unions up to the limits prescribed by the FIA. To meet this mandate, CUDIC undertakes administrative and regulatory functions as set out in the FIA, makes deposit insurance payments and may provide financial assistance to credit unions. To maintain the deposit insurance fund, CUDIC is empowered to assess credit unions and to issue debentures to them.

The amount, timing and form of deposit insurance payments or financial assistance which may be required for credit unions is dependent on future events and outcomes. Three outcomes that may require assistance are rehabilitation, merger or liquidation of credit unions. In the event of a liquidation, CUDIC's liability for deposit insurance is restricted to limits prescribed under the FIA.

Under the FIA, Stabilization Central Credit Union of British Columbia (Stabilization Central) has been designated a stabilization authority. Stabilization Central is a central credit union owned and controlled by the British Columbia credit union system. CUDIC may delegate specific responsibilities with respect to supervision of credit unions to Stabilization Central. Stabilization Central also maintains a fund to enable it to assist credit unions. Under the terms of an agreement, Stabilization Central is obligated to provide financial assistance to credit unions it supervises should the need arise. CUDIC also has the ability to draw upon the financial resources of Stabilization Central should the CUDIC fund, as represented by retained earnings, decline below 30 basis points of credit unions' deposits and non-equity shares. Based on an agreement, Stabilization Central has provided CUDIC with security over its investment portfolio in support of this obligation.

2. Significant accounting policies

Basis of presentation

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. In preparing these financial statements, management is required to make estimates and assumptions that could affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period Actual results may differ from those estimates.

Credit Union Deposit Insurance Corporation of British Columbia
Notes to the Financial Statements
March 31, 2003

2. Significant accounting policies (Continued)

Investments

Securities are carried at amortized cost. Realized gains and losses on disposal are credited or charged to earnings for the year. Premiums and discounts arising at the time of purchase of investments are amortized over the period to maturity. Revenue from investments includes interest income as well as net realized capital gains or losses.

Provision for credit union assistance

CUDIC may provide assistance to credit unions in respect of deposit insurance and financial assistance. Specific provisions are established for financial assistance provided to a credit union and deposit insurance claims for a credit union in financial difficulty. Specific provisions are recorded when it is determined that assistance is likely required and the amount can be reasonably estimated. Amounts incurred in the current year and the specific provision accrual are charged to expenses as consulting and direct assistance to credit unions.

Liquidity

CUDIC maintains a line of credit at the Provincial Treasury of British Columbia equivalent to the CUDIC portfolio managed by BC Investment Management Corporation (BCIMC) up to $50 million. At March 31, 2003, the value of the portfolio managed by BCIMC was $57.0 million. This line of credit may be drawn upon to meet short-term liquidity requirements. Any drawings against this line of credit would be secured by CUDIC's investments. CUDIC's investments would be used as security should drawings against this line of credit be necessary.

Related party transactions

CUDIC is operated as a separate entity by FICOM, a commission of the British Columbia government. Administrative expenses relating to CUDIC's mandate are charged to CUDIC. The allocation of direct salaries to CUDIC is calculated based on the activities performed by FICOM staff on tasks pertinent to the mandate of CUDIC. Other expenses, including occupancy costs, are allocated to CUDIC according to CUDIC's proportionate share of activities. These transactions were conducted in the normal course of business at amounts established and agreed to by both parties.

Financial instruments

The market values of the investments approximate their fair values. The fair values of all other financial instruments, which include cash, income taxes recoverable, payables and accruals, approximate their carrying values.

Credit Union Deposit Insurance Corporation of British Columbia
Notes to the Financial Statements
March 31, 2003

3. Change in accounting policy

Effective April 1, 2002, CUDIC changed its method of accounting for the general provision for credit union assistance. Previously, the general provision was segregated as a liability on the balance sheet and maintained at 3 basis points of the total of all British Columbia credit union deposits. Since CUDIC is a deposit insurance corporation by nature, a more appropriate financial statement presentation is to consider the entire retained earnings of the entity as possible reserves of a deposit insurance fund. Specific provisions for credit union assistance will continue to be made when the amounts are likely and can reasonably be estimated.

The change in accounting policy has been applied retroactively with restatement of prior periods. The effect of the change is to increase retained earnings as at April 1, 2001 by $6,500,000 and increase net earnings for the year ended March 31, 2002 by $500,000.

4. Investments

Specific Investments	Effective Yields	Less than one year	1 to 5 years	Over 5 years	Total 2003	Total 2002
Canadian	4.51	$ 6,409,544	$ 19,231,239	$ 22,538,483	$ 48,179,266	$ 44,908,894
Provincial	5.25	-	2,182,353	10,806,582	12,988,935	13,501,876
Municipal	5.30	-	200,000	2,844,416	3,044,416	2,465,241
Corporate	5.10	1,580,573	6,771,933	10,292,182	18,644,688	13,747,095
		7,990,117	28,385,525	46,481,663	82,857,305	74,623,106
Pooled Funds						
Money Market Funds					515,749	173,829
Government Bond Fund					17,970,484	17,536,090
Corporate Bond Fund					8,568,603	7,483,774
					27,054,836	25,193,693
Accrued interest					1,468,178	1,319,479
Total investments (cost)					$ 111,380,319	$ 101,136,278
Total investments (market value)					$ 112,875,556	$ 101,379,608

The nature of pooled funds does not permit the determination of an effective yield.

Credit Union Deposit Insurance Corporation of British Columbia

Notes to the Financial Statements

March 31, 2003

5. Income taxes

CUDIC is a deposit insurance corporation for income tax purposes and pays income taxes on its taxable income at the statutory rate prescribed for deposit insurance corporations. Income for tax purposes excludes assessments made against credit unions. Also, no deduction may be made against income for tax purposes for financial assistance given to or paid on behalf of credit unions.

	2003	2002
Income taxes otherwise payable based on reported net earnings	$ 1,247,065	$ 1,497,645
Adjustments for effect of:		
Assessments against credit unions excluded from income for tax purposes	(623,907)	(733,103)
Other differences	(65,491)	2,086
Income taxes per financial statements	$ 557,667	$ 766,628

6. Depositor Protection Agreement

Stabilization Central, CUDIC and the Financial Institutions Commission have entered into a Depositor Protection Agreement. Under this agreement, Stabilization Central and CUDIC shall maintain a minimum level of equity equal to 0.275% and 0.30%, respectively, of total member deposits of $24.4 billion (2002: $22.7 billion) held by British Columbia credit unions, or 0.575% in total.

If CUDIC's equity falls below 0.30%, CUDIC may rely on the financial resources of Stabilization Central to replenish its fund to the 0.30% level. Stabilization Central has provided CUDIC with security over its investment portfolio in support of this obligation.

At March 31, 2003, the equity of Stabilization Central of $106.0 million (2002: $97.2 million) and CUDIC of $111.3 million (2002: $102.6 million) represents 0.89% (2002: 0.88%) of member deposits.

Credit Union Deposit Insurance Corporation of British Columbia

Schedule of Administration Expenses

Year Ended March 31	2003	2002
Salaries and benefits	$ 1,226,753	$ 1,188,536
Directors expenses	3,664	5,119
Travel	43,486	46,083
Professional services	74,392	112,440
Information servces	34,992	37,035
Building occupancy	123,946	126,112
Furniture and equipment	39,238	45,858
Other	70,678	50,304
	$ 1,617,149	$ 1,611,487

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Market Conduct Complaints and Inquiries:

For general queries related to the financial services sector:	
FINANCIAL INSTITUTIONS COMMISSION	**Website: http://www.fic.gov.bc.ca**
Telephone:	
Credit Unions/Deposit Insurance	604.660.2947
Trust Companies	604.660.2947
Pensions	604.660.2947
Insurance Inquiries	604.660.2971
Mortgage Brokers Inquiries	604.775.1839
Real Estate Inquiries	604.660.4805
Investigations	604.660.4223
Email Enquiries:	FICOM@gems9.gov.bc.ca
Mailing Address:	19th Floor, 1050 West Pender Street Vancouver, British Columbia V6E 3S7
Inquiries and complaints regarding a licensed real estate agent, salesperson or property manager:	
REAL ESTATE COUNCIL OF BRITISH COLUMBIA	**Website: http://www.recbc.ca**
Telephone	604.683.9664
Toll Free	1.877.683.9664
Fax	604.683.9017
Mailing Address:	Suite 900 - 750 West Pender Street Vancouver, British Columbia V6C 2T8
Inquiries and complaints regarding a licensed insurance agent, adjuster or salesperson:	
INSURANCE COUNCIL OF BRITISH COLUMBIA	
Telephone:	
Vancouver	604.688.0321
Toll Free	1.877.688.0321
Fax	604.662.7767
Mailing address:	Suite 300 - 1040 West Georgia Street Vancouver, British Columbia V6E 4H1

Inquiries and complaints regarding chartered banks:	
OFFICE OF THE SUPERINTENDENT OF FINANCIAL INSTITUTIONS (CANADA)	**Website: http://www.osfi-bsif.gc.ca**
Telephone:	604.666.5335
Fax	604.666.6717
Mailing Address:	Suite 305 - 1095 West Pender Street Vancouver, British Columbia V6E 2M6
Inquiries and complaints regarding the securities industry:	
BRITISH COLUMBIA SECURITIES COMMISSION	**Website: http://www.bcsc.bc.ca**
Telephone:	604.899.6500
Fax	604.899.6506
E-mail:	inquiries@bcsc.bc.ca
Mailing Address:	P.O. Box 10142 Pacific Centre 701 West Georgia Vancouver, British Columbia V7Y 1L2

Deposit Insurance and Compensation Plans:

Questions about deposit insurance and deposit taking trust companies in British Columbia:	
CANADA DEPOSIT INSURANCE CORPORATION	**Website: http://www.cdic.ca**
Telephone:	613.992.7124
Toll free	1.800.461.2342
Fax	613.996.6095
E-mail:	info@cdic.ca
Mailing address:	17th Floor - 50 O'Connor Street P.O. Box 2340, Station "D" Ottawa, Ontario K1P 5W5
Questions about deposit insurance and deposit taking credit unions in British Columbia:	
CREDIT UNION DEPOSIT INSURANCE CORPORATION OF BRITISH COLUMBIA	**Website: http://www.fic.gov.bc.ca**
Telephone (Enquiries):	604.660.2947
Fax	604.660.3170
Mailing Address:	Suite 1900 - 1050 West Pender Street Vancouver, British Columbia V6E 3S7
All insurance companies with a British Columbia business authorization for sale of property and casualty insurance must be members of:	
PROPERTY AND CASUALTY INSURANCE COMPENSATION CORPORATION	**Website: http://www.pacicc.com**
Telephone (Enquiries):	416.364.8677
Toll Fee	1.888.564.9199
Fax	416.364.5889
E-mail:	info@pacicc.com
Mailing Address:	Suite 210 - 20 Richmond Street East Toronto, Ontario M5C 2R9
British Columbia businesses that sell life, accident and sickness insurance to the public must be members of:	
CANADIAN LIFE AND HEALTH INSURANCE COMPENSATION CORPORATION	**Website: http://www.compcorp.ca**
Telephone (Enquiries):	416.359.2001
Fax	416.955.9688
E-mail	info@compcorp.ca
Mailing Address:	Suite 1600, 1 Queen Street East Toronto, Ontario M5C 2X9

Contact Information

Financial Institutions Commission "FICOM"	
INCLUDING: • The Superintendent of Financial Institutions • The Superintendent of Pensions • The Superintendent of Real Estate • Registrar of Mortgage Brokers • Credit Union Deposit Insurance Corporation	ADDRESS: Suite 1900, 1050 West Pender Street Vancouver, British Columbia V6E 3S7 TELEPHONE: 604.660.2947 FACSIMILE: 604.660.3170 EMAIL: ficom@gems9.gov.bc.ca WEBSITE: http://www.fic.gov.bc.ca